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MADRAS LEVIES I.T. ON ALL FARM EARNINGS

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ENTERTAINMENT TAX: REVISED RATES

'Small' Surplus in Budget

MADRAS, Mar. 1.

Mr. C. Subramaniam, Finance Minister, in presenting the budget for 1958-59 in the Madras Assembly today, has made new taxation proposals intended to bring an additional revenue of Rs. 170 lakhs in a full year. However, he expected only Rs. 120 lakhs for the coming year.

AMONG the new tax measures is a levy of agricultural income-tax on all land-holdings with an exemption limit of Rs. 3,000 at the same rates and slabs now in force in respect of plantations.

Other taxation proposals are:—(1) enhancement of the levy of sales-tax on motor spirit, other than petrol, i.e., on diesel oil, from 10 nP. per gallon to 35 nP. per gallon and (2) enhancement of the rate of entertainment tax. (Touring cinemas also are made subject to Show Tax). Tax on all entertainments, other than cinemas and horse-racing, will be abolished.

The budget estimates for 1958-59 anticipate a revenue of Rs. 62,40 lakhs and an expenditure of Rs. 63,75 lakhs, leaving a gap of Rs. 1,35 lakhs. After the estimates were finalised intimation had been received from the Government of India of some liberalisation in terms of Central assistance on the enhancement of the emoluments of the low-paid Government employees, by which the Madras Government will get an additional grant of about Rs. 30 lakhs in a year. This will reduce the revenue gap from Rs. 135 lakhs to Rs. 105 lakhs.

TAXATION MEASURES

Announcing his taxation proposals, the Minister said:

After the Award of the Finance Commission there is no further prospect of Central assistance for the next few years, and therefore we cannot leave the revenue deficit of Rs. 1,05 lakhs uncovered. In our discussions with the Planning Commission on the size of the State Plan, we have given a specific undertaking to raise enough resources to balance the Revenue Budget. We are quite likely to sanction many new schemes during the course of the year, and this will widen the gap still further. I am, therefore, making the following proposals of additional taxation:

(a) The enhancement of the levy of sales tax on motor spirit other than petrol, i.e., on diesel oil, from 10 nP per gallon to 35 nP per gallon. This may yield about Rs. 70 lakhs in a full year.

(b) The enhancement of the rate of entertainment tax from 20 per cent on the first slab to 25 per cent, from 25 per cent on the second slab to 33-1/3 per cent, and from 33-1/3 per cent on the third slab to 40 per cent. Touring cinemas will also be made liable to the show tax. The tax on all entertainments other than cinemas and horse-racing, will be abolished. These proposals will bring in a net additional revenue of about Rs. 30 lakhs 90 per cent of which will go to the benefit of local bodies. The share of the Madras Corporation may amount to about Rs. 6 lakhs.

(c) The levy of agricultural income-tax on all land-holdings with an exemption limit of Rs. 3,000 and at rates and slabs now in force on plantation holdings. The non-agricultural income of the assessee will also be taken into consideration in reckoning his total income and the agricultural portion will be assessed at the higher rates applicable to the top slabs. Facilities for compounding will be offered to the smaller assessees in order to relieve them of the burden of keeping detailed accounts. The surcharge now levied on larger agricultural holdings under the Madras Act XIX of 1954, will be cancelled. It is difficult to estimate the yield on this proposal, but, for the purpose of the budget, we may reckon it roughly at Rs. 70 lakhs. This measure may indeed become inoperative when ceilings on land-holdings are enforced, but now that we have taken the decision to fix a provisional ceiling, it is but social justice that a portion of the advantage derived by people holding land in excess of that ceiling, should be appropriated by the State towards common benefit.

The new proposals may bring in about Rs. 1,70 lakhs in a full year, of which about Rs. 27 lakhs will go to the benefit of local bodies. Since the necessary legislative measures, especially on agricultural income-tax, may take time, the net receipt by the Government during the next year will only be about Rs. 1,20 lakhs. The deficit of Rs. 1,05 lakhs in the Budget will thus be converted into a small surplus of Rs. 15 lakhs.

The Minister read the speech in Tamil. Copies of the Budget speech had been prepared in both Tamil and English and were distributed to the Members and to the Press in both the languages.

Dr. U. Krishna Rau, Speaker, was in the chair. Chief Minister Kamaraj and other Ministers were present. Attendance was fairly large and the Visitors' Galleries were full.

The Finance Minister was called upon by the Speaker to present the Budget at the end of the question-hour.

Conspicuous in the Distinguished Visitors' Gallery were the members of the Soviet Parliamentary Delegation, who watched the Assembly's proceedings during question-hour. They left the House just prior to the presentation of the Budget.

The Finance Minister took 48 minutes to read his 27-page printed speech in Tamil.

After the Minister had concluded reading the speech, the Speaker announced that general discussion on the Budget would commence on Monday, March 3, and would last six days. He adjourned the House to meet again on Monday.

Mr. Subramaniam said: I have the honour to present to this House the Budget Estimates for 1958-59 and the Revised Estimates for the current year. The one relieving feature in both these estimates is the improvement in the revenue position which has wiped out the anticipated heavy deficit for the current year and reduced the gap for the ensuing year. The award of the Finance Commission is the major factor which has helped us in this respect.

(Continued On Page 4 Column 1)

Full Fee Concession For N.G.Os' Children

MADRAS, Mar. 1.

FINANCE Minister Subramaniam's announcement in his Budget speech today of the Government's decision to extend full-fee concessions to the children of the State Non-Gazetted Staff was hailed as the only redeeming feature of an otherwise "workmanlike budget," according to lobby reactions.

While Congress members hail the step as the implementation of Chief Minister Kamaraj's promise held out some time back, the Opposition see in it only a very "poor substitute" to the "pressing demands" of the State N.G.Os, accepted as wholly reasonable on all hands.

The slight upward revision in the salaries of the Agricultural Demonstrators, announced in the Budget, is described as indicative of the importance that Government attach to the work of these officials who are described as the "kingpin" of all developmental activities undertaken in the rural areas with a view to stepping up food production.

The decisions of the Government on the recommendations of Dr. Lokanathan's report on the administration of sales tax in the State—such as the acceptance of the suggestion that dealers with a turnover between Rs. 10,000 and 25,000 being permitted to compound the tax so as to relieve them of the burden of maintaining detailed accounts and the hope held out of bringing more commodities under the single-point levy as against the present multi-point character—are also welcomed generally as indicative of the earnestness of the Government to avoid undue harassment of the traders in the State.

As for the new taxes, announced by the Finance Minister, the immediate reaction is rather vague. The marked hostility that one usually expects whenever new taxes are introduced was noticeably absent. While the Congress members point out that these additional levies have been selected in such a way as not to impose any additional burden on the bulk of the population, Opposition members are now busy finding out the demerits of the proposals.

It was a humorous comment in the lobby that the D.M.K. members, some of whose supporters and sympathisers are prominent in the cinema field, might not favour the proposed enhancement of the rate of entertainment tax although their party leader Mr. C. N. Annadurai told the **Indian Express** that he had to study the proposals in detail before expressing his opinion on them.

PROTEST DAY BY N.G.Os ON MAR. 19

MADRAS, Mar. 2

THE Secretary-General of the Federation of Southern States' N.G.Os issued a call late last night to all N.G.Os. in the four Southern States to observe March 19 as "Protest Day."

He says that the N.G.Os. should wear protest badges on March 19 and hold public meetings at all sub-centres and district centres, inviting leaders of all parties and trade unions and prominent public men to address them.

He further says that the Federation had made repeated representations to the Centre and the State Governments of Andhra, Kerala, Madras and Mysore for the immediate removal of the existing disparities in the emoluments between the Central and State employees and for the inclusion of the State Services within the terms of reference of the Second Pay Commission. At the first annual conference of the Federation held at Madras on Jan. 27, it was resolved that in the event of no response from the Centre before Feb. 28, a Protest Day should be observed on March 19 by all N.G.Os in the four Southern States. It was disappointing that no reply had been received by the Federation so far and it was also seen from the Union Budget and the Budgets of Andhra Pradesh and Madras for 1958-59 that no relief had been provided for the low paid and long suffering State N.G.Os. Hence, the Federation was constrained to implement its resolution of Jan. 27.

The Tamilnad N.G.Os' Union also expresses its strong disappointment over the State Budget. The Union says that the basic problem of disparity in dearness allowance and pay scales has been left untouched. It says that the extension of educational concessions to N.G.Os' children from IV to VI Forms would benefit only a microscopic minority of N.G.Os.

Preparations For 4th Steel Plant

NEW DELHI, Mar 1.

Preparations for a fourth Steel plant in the public sector in the third Five--Year Plan are envisaged in the next year's industrial development programme.

Government have made a provision or Rs. 50 lakhs to be spent in 1958-59 on preparatory work at site like drilling of test holes, general levelling, planning of a township, construction of main roads, accommodation for construction staff, and buildings for offices.

The site will be at Bokaro. The consulting engineers to the Department of Iron and Steel who carried out certain preliminary investigations have, recommended that the planning be based on the assumption that it would be economical to have a plant of 2.5 to 3 million tons capacity in Bokaro.

The target for steel production in the third a plan period is likely to be of the order of 15 million tons that is, an increase of nine million tons over the target in the Second Plan. Expansion of established units, expansion of the capacity of the steel plants at Rourkela, Bhilai and Durgapur and production at the fourth plant are expected to help achieve the additional target of nine million tons.—P.T.I.

LONGEST UNDERSEA TUNNEL

TOKYO, March 1.

Japanese engineers have completed the world's longest undersea tunnel for vehicles and pedestrians to link their main island, Honshu, with the southern island, Kyushu, it was announced today.

The tunnel, which took 21 years to construct at a cost of 8,000 million Yen (£ 8,000,00 sterling), is about two and a quarter miles long.

SUMATRAN TOWN BOMBED

SINGAPORE, Mar. 1.

The Rebel Central Sumatran Radio station at Padang claimed tonight that Indonesian Air Force planes bombed and machinegunned the town of Ratak Buluh, near the Sumatran oil town of Pakan Bahru, yesterday, sinking a river ferry.

Mr. Nehru, accompanied by Mr. Satyanarain Sinha, Minister for Parliamentary Affairs, leaving his office in the Parliament House to present the Union Budget on Friday.

Nehru's Tribute To Tisco Founder: Plan Core Will Stand

JAMSHEDPUR, Mar. 1.

PRIME MINISTER NEHRU said here today that, in spite of difficulties, India would go ahead with the hard core of the Second Five-Year Plan.

That meant 95 per cent of the Plan would remain intact, he said.

The Prime Minister was unveiling here a double life size statue of Jamshedji Tata, founder of the steel industry in India.

Mr. Nehru paid glowing tributes to Jamshedji Tata and described him as one of the founders of modern India.

Mr. Nehru said 60 or 70 years ago, when the people of India were suffering from frustration due to cruel suppression of India's first freedom struggle, Jamshedji Tata began to think of this big scheme which gradually took shape. He realised that the real strength of a country lay in its economic wealth and iron and steel had to play a great role in that respect.

Mr. Nehru said the country now had a commission to draw the first second and, no doubt, third and fourth plans. But Jamshedji Tata in those days formed himself into some sort of a planning commission and began not a five-year plan but a very big plan.

STEEL DENOTES PROGRESS

Everyone realised, Mr. Nehru said, the importance of industrialisation but more specifically it meant steel and power. The progress of a country could be judged from the steel and power used by it.

India was progressing and it might be that not in the distant future she would have new and greater sources of power supply.

PUBLIC AND PRIVATE SECTORS: NOT MUCH DIFFERENCE

Mr. Nehru refused to believe that there was much difference between the public, and private sectors and said, it was ultimately the people's

(Continued on Page 8 Column 7)

Vice-Minister In China Relieved

PEKING, Mar. 1.

Mr. Chou Hsing, one of China's seven Vice-Ministers of Security, has been relieved, of his post and replaced by Mr. Yang Kuo Chen, the "People's Daily," organ of the Chinese Communist Party, reported today.

A Foreign Ministry spokesman told Reuter that the change was "normal" but declined to say whether a new appointment would be found for Mr. Chou.

Mr. Chou's removal does not necessarily mean he is in disgrace. He and Mr. Yang do not figure among prominent Communist leaders.

India Seeking Further Credit From W. Germany

BONN, Mar. 1.

INDIA was sounding West Germany for further credit, the German news agency D.P.A. reported today.

This week the two countries signed an agreement deferring India's payments for the Rourkela project by three years. The sum involved in the agreement was 660 million marks (about Rs. 75 crores).

Quoting informed sources, the agency said that the Indian request for further credit would not come up for discussion before next year.

India, according to these sources, had stated that the present balance of trading position was highly unfavourable to India and had suggested that German imports from India should be stepped up. She also wanted Germany to accept payment for her goods in Indian rupees and had pointed out that the rupee was accepted gladly by Asian nations such as Indonesia and also by East European countries.

India had, however, been told that German economy was at present re-

(Continued on Page 8 Column 8)

PLOT TO KILL BOURGUIBA

TUNIS, March 1.

"Al Aamal," newspaper of the Tunisian Government Party the Neo-Destour, said here today Tunisians arrested last Tuesday on charges of acting against the security of the State had plotted to assassinate President Bourguiba.

"Al Aamal" said about 30 people were arrested following the discovery of hand-written documents on the Tunisian-Libyan frontier. They were found on a messenger who was taking them from "the ex-chief of the Rebel band" to people living in Tunisia.

The "ex-chief" was understood here to mean Salah Ben Youssef, the extremist Nationalist leader who fled to Libya following the discovery of a previous plot.

Russia Agrees To Prior Talks By Ministers

PARIS, Mar. 1.

Russia today accepted a Western proposal for a Foreign Ministers' meeting to prepare the agenda for summit talks, the French Foreign Ministry announced.

MR. GROMYKO, Soviet Foreign Minister, proposed in a note to France that a Foreign Ministers' meeting should be called "very shortly" and held parallel with discussions through diplomatic channels.

He said the Foreign Ministers' meeting should have the limited objectives of fixing the agenda for a summit conference and choosing the States which should participate in the heads of Government talks.

Mr. Gromyko's note—to M. Pineau, French Foreign Minister—was handed over here today by the Soviet Ambassador, Mr. Vinogradov.

The Soviet agreement to a Foreign Ministers' conference follows several exchanges of letters between Marshal Bulganin, Soviet Prime Minister, and Western leaders.

Earlier, Russia had said the summit talks could be held without a prior Foreign Ministers' conference.

Britain, U.S. and France at one time insisted that a Foreign Ministers' conference should be held before a summit meeting but, recently they said though they would prefer a Foreign Ministers' conference, it was not essential and the agenda for a summit meeting could be prepared through diplomatic channels.

FIRST PROPOSAL

A summit meeting was first proposed by Marshal Bulganin in a letter to Western leaders last December. His proposal came on the eve of the NATO conference of heads of Governments.

In January, Marshal Bulganin sent further letters urging a summit conference within two or three months.

Mr. Gromyko proposed that a Foreign Ministers meeting should be called "very shortly" and that it should have the limited objectives of fixing the agenda for a summit conference and choosing the States which should participate in the heads of Governments meeting.

Foreign Ministry officials said the letter was a long one and that it "gave satisfaction" to ideas advanced by M. Pineau in a letter to the Soviet Foreign Minister on Feb. 16.

It reaffirmed the Soviet Government's desire to reach agreement as soon as possible on a meeting of heads of Government and agreed to a Foreign Ministers' meeting being held parallel with discussions through diplomatic channels.

FRENCH STAND

M. Gaillard, French Premier, last month agreed to summit talks by a Foreign Ministers' conference.

On Feb. 16, M. Pineau said in a note to Mr. Gromyko that France maintained that a Foreign Ministers'

(Continued on Page 7 Column 4)

TURKISH BOAT SINKS: 150 DROWNED

ISTANBUL, Mar. 1.

At least 150 people were drowned when a Turkish ferry boat sank in the Sea of Marmara today, according to official reports. But unofficial reports said the death toll was at least 300.

The 148-ton ferry boat Uskudar was carrying a capacity crowd of 600 when she was caught in a waterspout and sank in Izmit Bay, at the eastern end of the Sea of Marmara, the reports said.

Turkish warships, including three submarines are searching the area for survivors. Latest reports say 16 were saved.

RS. 7 CRORES FOR NEIVELI

Grants For Pay Rise For States' Employees

From Our Special Representative

NEW DELHI, Feb. 28.

For the Neiveli Lignite Project, a provision of Rs. 7 crores is made for 1958-59, in the Budget presented by the Prime Minister to Parliament today.

The budget estimates of 1958-59 make a provision of Rs. 6 crores for grants to States to help them raise the emoluments of their low-paid employees.

Out of Rs. 20 crores loan promised by India to Burma, Rs. 15 crores will be paid this year and the balance next year.

* * *

A provision of Rs. 2.5 crores has been made in the Budget for increasing the share capital of the State Trading Corporation on account of its increased activities.

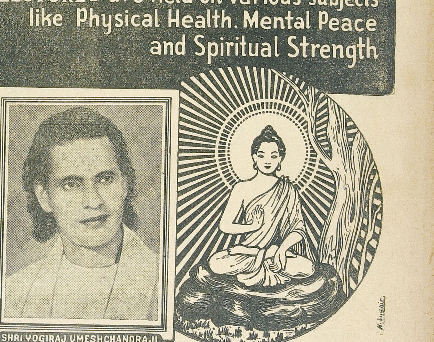
* * *

A sum of Rs. 2 crores is earmarked for providing financial assistance to States for implementation of their industrial schemes under the Second Plan.

* * *

India's atomic energy development programme in 1958-59 is expected to cost about Rs. 3 crores.

LECTURES are held on various subjects like Physical Health, Mental Peace and Spiritual Strength



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MADRAS LEVIES I. T. ON ALL FARM EARNINGS

(Continued from Page 4)

Budget. There is a loan provision of Rs. 4,10 lakhs to the Electricity Board which will meet the balance from resources at its disposal and by the sale of about Rs. 3 crores worth of securities from the Depreciation Reserve Fund.

Some of the significant items of loans are: to the Madras Corporation Rs. 42 lakhs, the City Improvement Trust Rs. 59 lakhs, mofussil Municipalities for Water-supply Schemes Rs. 89 lakhs, State-aid to Industries Rs. 25 lakhs, Co-operative Building Societies Rs. 35 lakhs, and to agriculturists in Gramdan villages Rs. 20 lakhs. The net disbursements under Loans and Advances other than to the Electricity Board, is expected to be Rs. 3,53 lakhs. The Ways and Means deficit of about Rs. 6-1|2 crores is expected to be closed with our share of the Small Savings Collection, and by raising a public loan if market conditions permit.

PLAN OUTLAY

In framing the Budget for the current year we had estimated the outlay on the Plan at Rs. 31,79 lakhs. Appreciable shrotfalls in implementation are expected on certain schemes under agricultural development, soil conservation, medical, housing, village industries and handicrafts, for reasons such as the delay in sanctioning the schemes, delay in land acquisition and scarcity of building materials like cement and steel. But these shortfalls will be more than made up by a much larger outlay on Irrigation and Power. The revised estimates provide for a Plan outlay of Rs. 32,31 lakhs, an excess of Rs. 52 lakhs over the original provision, and let us hope that departmental performances will be adequate to absorb in full the allotments now made.

The details of the Plan for the coming year have been discussed with the Planning Commission last December, and the outlay has been fixed at Rs. 30.47 crores. **We have been assured of Central assistance in loans and grants according to the established pattern of assistance, up to a ceiling of Rs. 18 crores, and so the balance of Rs. 12.47 crores should come out of our own resources.** The total sum allotted by the Government of India towards assistance to all States in 1958-59, is only about Rs. 200 crores and therefore, it may not be possible to get a large assistance from the Centre. We may like to vote for a larger outlay, but the additional resources will have to be raised by us internally and the Planning Commission will certainly accept the position. But, within the present ceiling, we have made fair enough provision to maintain the tempo of execution on most of the schemes. A detailed statement showing the break-up of the Plan outlay, is given as an appendix. The provision of Major Irrigation is less than that for the current year by Rs. 1.17 lakhs, but this is due to the fact our Major Schemes are nearing completion, and do not call for larger allotments. Excepting the Electricity Department which may be able to spend a little more if funds are made available, the requirements of other departments have been met practically in full. The needs of the Electricity Department may be reviewed again as the year advances and further adjustments can be made to the extent practicable as we did in the current year.

FOREIGN EXCHANGE

There has been a good deal of discussion in the country on the present shortage of foreign exchange and the difficulties in the way of implementing a fuller Plan. It is indeed true that foreign exchange is the bottleneck on the large schemes of industrial development like steel plants, heavy fabrication units, aluminium plants, heavy electrical plant and fertiliser factories. **But, in respect of most schemes in the State Plan, such as for the development of agriculture, provision of drinking water renovation of irrigation works; expansion of education, and the construction of roads and hospitals, foreign exchange is not the crucial bottleneck.** Power development is the only big item in the State sector involving foreign exchange, but fortunately we have already secured the essential machinery needed for those projects. **Our real problem, in common with that of other States, is the inadequacy of internal finance.** We may plead for more Central assistance, but the resources at the disposal of the Government of India are also limited and must come out of the savings of the people. We are all keen on stepping up living standards at a fast pace, but further progress calls for a greater effort by the people to save and invest. The history of all the advanced nations of the world tells us the same story, that there is no short-cut to prosperity. All these nations did pass through an initial stage of toil and sweat before they were able to lay the foundations of a growing economy. **It is in this light that we should now explain to the people the significance of the new taxation proposals and the present drive in the districts on Small Savings.**

These new imposts may be irritating and we are tempted to complain of official coercion, but we cannot escape the consequences of our determination to work towards a socialistic pattern of society in our lifetime.

Again, the largest single cause for the present crisis in foreign exchange is the food deficit and the necessity to import foodgrains from overseas. **The solution of this problem is very much in our hands, because the conservation of farm-yard manure, the processing of urban manure, the growing of green manure and the use of improved seeds, do not involve any foreign exchange.** A little more intelligent devotion to these elementary agricultural practices, will cover the food deficit to a large extent and release valuable foreign exchange for the vital needs of the Plan. Obviously there is an important part which the Members in the House and public men outside, can play and I take this opportunity to appeal to one and all of them, to play that part effectively by explaining to the people the various agricultural schemes initiated by the Government to step up production, by demonstrating in their own private holdings this simple message of the Plan and by providing a healthy liaison between the cultivator and the field organisations in charge of the various Extension Services.

Before, I conclude, I wish to express my appreciation of the valuable advice and staunch support extended to us by Mr. T. T. Krishnamachari, the ex-Union Finance Minister.

Touching references have been made in the Parliament, the Press and the platform about the great loss sustained by the country by his (T. T. K.) sudden exit from high office, but for us in Madras, the loss is even more grievous. He has been one of us and consistent with his wider responsibilities to the Nation as Union Minister, he has in all his official dealings with the affairs of this State, demonstrated that he continued to be one with us. I am sure all Members will join with me in one mind, to express our deep gratitude for the meritorious services rendered by him to the Nation in general and to the people of this State in particular. I must also acknowledge my sincere thanks to the Financial Secretary, Mr. T. A. Varghese, and to his able assistants, for all their advice and assistance in my work and particularly in framing the Budget.

IN THE COUNCIL

The budget was presented in the Legislative Council by Mr. R. Venkataraman, Leader of the House, this afternoon.

The House initially adjourned for a half-hour in honour of the late Maulana Azad.

When the House reassembled, Mr. Venkataraman presented the Budget and said that since framing the budget for the current year last June, the revenue position had improved. "As against a deficit of Rs. 333 lakhs anticipated for the current year at that time the Revised Estimates show a small surplus of Rs. 5 lakhs. The Budget Estimates for 1958-59, on the existing structure of taxation, show a deficit, though not large, of Rs. 105 lakhs. The improvement in the revenue account is mainly due to the Award of the Finance Commission by which our share of Central taxes has increased by Rs. 174 lakhs in the current year and by Rs. 202 lakhs in the next year. There has also been a welcome upward trend in the receipts from certain items of revenue such as tax on motor vehicles, Central Sales Tax and land revenue."

INCREASED EXPENDITURE

But they should not expect this favourable feature to persist on the present pace of expenditure on development services, he said. On Education as against an outlay of Rs. 460 lakhs for the composite Madras State in 1945-46 they had now budgeted for Rs 1,204 lakhs. The increase during the past 12 years had been nearly three-fold, even though the area of the State had been reduced by half. Corresponding figures for some of the other welfare services revealed the same trend. During this period of 12 years, the expenditure had gone up from Rs. 23 lakhs to Rs 233 lakhs on Harijan Uplift from Rs 19 lakhs to Rs. 60 lakhs on Rural Water Supply, from Rs. 41 lakhs to Rs. 164 lakhs on new roads, and from Rs. 74 lakhs to Rs 256 lakhs on Agricultural Development. New schemes like N.E.S., Rural Credit Organisations, soil conservation measures and forest regeneration programmes had been introduced, and substantial appropriations were being made on them. "But the needs of the people in an under-developed economy are many and we have not gone far enough to meet them. Obviously the pace of expenditure will accelerate further, and we must raise the necessary resources in order to balance the budget and preserve the financial stability of the State."

The main taxation proposal for the year was the levy of agricultural income-tax on the lines of the enactment now in force for plantation holdings. Non-agricultural income would also be taken into consideration in fixing the slabs and rates of tax on agricultural income. The burden of this measure would fall mainly on those who had the capacity to pay. Liberal terms of compounding would be offered to the smaller assessees in order to save them the trouble of maintaining accounts. Only the larger land-holders and those with substantial non-agricultural incomes would be compelled to keep detailed accounts. "The yield from this levy may not be large, but now that we have decided to enforce a ceiling on future acquisition of land, it is just and proper that the fortunate few who hold land in excess of the ceiling at present should make some contribution towards the benefit of the common people."

The proposed increase in the Sales Tax on diesel oil from 10 nP. to 35 nP. per gallon would enable the State to appropriate a portion of the advantage which transport operators running diesel vehicles had over those running petrol vehicles.

BENEFIT PERFORMANCES

The enhancement of Entertainment Tax was intended mainly to augment the resources of local boards, since 90 per cent of the proceeds of the tax would be distributed to local boards. The abolition of the tax on all entertainments other than cinema and horse-racing was to give some encouragement to fine arts like music, dance and drama, and also to sporting events. "There will be no further need for organisers of various benefit performances to go through the formalities and trouble of obtaining exemption from the tax, and the Government do not propose to grant exemption to any benefit cinema performance in future."

"The new taxation proposals may bring in a net yield of about Rs. 120 lakhs to the Government in the next year, and will convert the deficit of Rs. 105 lakhs in the Budget into a small surplus of Rs. 15 lakhs," he said.

PLAN SCHEMES

"The Budget provides for an outlay of about Rs. 30 5 crores on schemes included in the Plan, of which about Rs. 12 crores are on power development. Fair enough provisions have been made to meet the increasing requirements of the various development services with special stress on schemes of agricultural development, small-scale industries and rural welfare. We shall be receiving Central assistance in loans and grants to the extent of Rs. 18 crores, which means that the balance of Rs. 12-1|2 crores should be met out of the resources of the State. We should indeed have liked to make larger provisions on some of the schemes, especially on power development, but we have already stretched our resources to the maximum.

SMALL SAVINGS DRIVE

"As pointed out by the Finance Minister, the bulk of the schemes in the State Plan do not involve much foreign exchange and therefore we can implement our Plan in full if we put in a greater effort in mobilising the savings of the people. It is in this light that we have initiated the Small Savings drive in the districts. The target of Rs. 10 crores for the year may look ambitious, but we have already done about Rs. 6 crores, and the Special Drive is still on in some districts. Thousands of small agriculturists have contributed their humbe quota, and their numbers have aready exceeded 60,000 in each of the districts of Salem, Coimbatore and South Arcot. Industrial workers in Coimbatore mill-area and agricultural labour in plantations have also come into the scheme, the employers making the initial advance. to be recouped from the workers in monthly instalments. Our District Officials and several prominent non-officials have worked hard on this drive, and I hope all hon'ble Members will join with me in recording our appreciation of the excellent endavour.

"The efforts we have so far put in have not gone far towards establishing the Welfare State, but this should not make us despondent. We have recorded appreciable progress in many directions.

POWER DEVELOPMENT

"When we took over the Madras Madras City Electricity System from the Britsih Company about 12 years ago, the effective capacity if that worn-out plant was about 20,000 kilo-watts. With the inauguration of a new generator early next month, we would have raised the capacity of the plant to about 80,000 kilo-watts. The additional power of 60,000 kilo-watts has been sold out already to feed many large industries around the City like the Integral Coach Factory, the T.I. Cycles, the Tube Products, the Ashok Leylands, the Standard Motor Products, the Industrial Estate etc., which have all added substantially to our industrial wealth and provided growing employment opportunities. The installed capacity of all our hydro-electric stations in 1947 was less than one lakh kilowatts. Power generation was doubled during the First Plan period, and we are now well on the way to a total installed capacity of half a million kilo-watts. As against 150 villages electrified in 1947, power is available today in 6,000 villages running several cottage industries, and about 60,000 pump-sets, and at the present pace of progress it may not be long before our Grid covers the entire countryside. The periodical power cuts are indeed annoying, but the huge thermal plant now taking shape at Neyveli will soon bring us lasting relief.

"Aided by cheap power from the Grid, the textile industry has made encouraging progress with an additional spindlage of about 15 lakhs and the cement industry has doubled its ouput. Many new sugar factories have been licensed in the co-operative and private sectors, and some of them have already gone into production. We have also made a good start in the light engineering industries around Coimbatore and Madras. Lack of indigenous coal has been the major bottle-neck in the way of rapid industrial advancement, but let us hope Neyveli lignite will soon prove to be an effective substitute and enable us to make a start on the basic steel industry.

FOOD PRODUCTION

"In the field of agricutural production also we have tangible achievements during the past few years. The Major and Minor works implemented so far have enabled us to extend irrigation over half a million acres and to stabilise the precarious supplies on vast extents. We have managed to step up food production from about 28 lakh tons in 1950-51 to 46 lakh tons in 1956-57, and thereby attained a fair measure of self-sufficiency in food. Favourable seasonal conditions have indeed helped us in this respect, but we need not under-rate the significance of our own efforts in this direction. The newly constructed irrigation reservoirs, hundreds of renovated tanks, thousands of electric pump-sets for lift irrigation, increased application of chemical fertilisers, green manures, urban compost and improved seeds, have all helped us substantially in making fuller use of nature's bounty.

"The accelerating pace of capital outlay in recent years has naturally increased the public debt of the State which now stands at about Rs. 101 crores, involving an annual recurring charge of Rs. 506 lakhs towards servicing. But this should not perturb us, because we have built up substantial assets, the benefits of which accrue to the people in abundant measure. We have invested Rs. 70 crores on Electricity schemes and Rs. 45 crores on Irrigation works, and we have also lent about Rs. 32 crores to agriculturists and local bodies. The book-value of all our investments is more than Rs. 150 crores and exceeds the public debt by a handsome margin. Under these circumstances, the size of our public debt, far from being a source of anxiety, should be viewed as an indicator of our economic development and social progress."

Question-Time in Assembly

Rayon Yarn Factory At Mettupalayam: Licence Granted

MADRAS, Mar. 1.

Industries Minister R. Venkataraman informed Mr. P. G. Manickam in the Madras Assembly today that the Government of India had granted licence to an individual for starting a rayon yarn factory at Mettupalayam in the Bhavanisagar area. The promoters were expecting the collaboration of two Italian firms in setting up this undertaking.

Mr. V. Ramiah, Minister for Electricity, told Mr. Manickam that there were 505 bus services in this State operating in all 3,075 buses.

Mr. M. P. Sarathi was told by Mr. C. Subramaniam (Finance Minister) that any alteration in the working hours of Government offices could be brought about only after consulting the Government servants working in these offices. He felt that the present hour of 11 a.m. for the commencement of these working hours was felt to be convenient by the staff who could attend office after taking their food.

ASSEMBLY TO SIT FROM 1 P.M.

Programme For Budget Session

MADRAS, Mar. 1.

The Madras Assembly will sit from one o'clock in the afternoon till 6 p.m., daily from March 3 till the end of the Budget Session.

A decision to this effect was taken by the Business Advisory Committee of the Assembly which met after the House rose for the day this afternoon.

The change from an early morning hour to one o'clock in the afternoon for commencement of the Assembly proceedings was urged by many of the members, it is gathered. The new timing will enable them to attend to important work early in the mornings, look up the morning newspapers, prepare for the day's proceedings of the House and finish their midday meal before going over to the Assembly.

NEW PREMISES FOR COUNCIL

The Madras Legislative Council is likely to be accommodated in a new premises shortly, it is understood.

A conference, held today to discuss the question, was attended by the Chairman of the Council, Dr. P. V. Cherian, Mr. C. Subramaniam, Finance Minister, Mr. R. Venkatraman, Minister for Industries and Leader of the House in the Council, Mr. P. Kakkan, Minister for Works, Mr. W. R. S. Sathianathan, Chief Secretary and Mr. S. K. Chettur, P.W.D. Secretary.

It is learnt that Government have accepted the proposition that the Council should be provided with alternative accommodation Steps are likely to be taken to implement this proposal.

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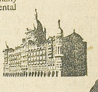

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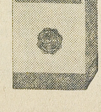

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